

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

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sSB-212

AN ACT CONCERNING PERMANENT PARTIAL DISABILITY  
BENEFITS AND PENSION OFFSETS.

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## ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 23 \$</b>	<b>FY 24 \$</b>
Various Municipalities	STATE MANDATE <sup>1</sup> - Cost	None	See Below

## ***Explanation***

The bill will result in a cost to municipalities that offer defined benefit retirement plans for employees by eliminating permanent partial disability settlement offsets from the pension benefit formula. This cost will ultimately be recognized in the actuarially determined employer contribution (ADEC), per each municipality's respective pension system. The bill applies to benefits received after October 1, 2022, and the pension liability related to the bill would not be realized until any subsequent actuarial valuations after the effective date, as permitted by collective bargaining agreements.

To the extent that the bill does not interfere with existing collective bargaining agreements in effect prior to October 1, 2022, the effects of the bill may not be realized until a new agreement goes into effect

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<sup>1</sup> State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

depending on when current agreements expire, likely after FY 22.

These costs are anticipated to be small relative to each municipality's total pension contributions.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to changes to municipalities' actuarially determined pension contribution.